

ECONOMIC CONDITIONS in New Hampshire



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Health Care and Social Assistance in New Hampshire

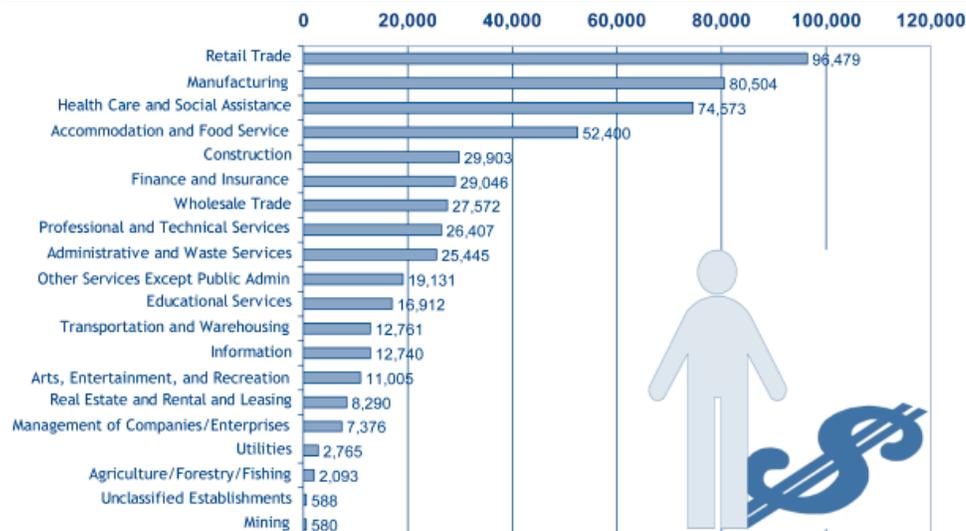
Overall, average quarterly covered employment in New Hampshire grew from 616,442 jobs in second quarter 2004 to 623,499 jobs in second quarter 2005, an increase of 1.1 percent. At the industry sector level, Health care and social assistance added the most jobs, 1,814 over the year. The Finance and insurance sector added the second highest number of jobs with 1,524, and third was the Professional and technical services sector, mending 926 jobs. Management of companies and enterprises grew the fastest by 5.8 percent, adding 404 jobs over-the-year, and Finance and insurance grew second fastest at an annual rate of 5.5 percent.

The Health care and social assistance sector has, in general, experienced strong growth for the last decade. And with the Manufacturing sector

shedding about a fifth of its employment in between 2001 and 2003, the Health care and social assistance sector has grown to nearly match the employment level of the Manufacturing sector. With projected increases in Health care social assistance, this sector will soon be larger than the Manufacturing sector and become the state's second largest employing sector, on the heels of the Retail trade sector.

Despite the perception that wages in the health care field are high, the average weekly wage, in New Hampshire, for the Health care and social assistance sector was \$733.35 in the second quarter 2005, in contrast to the average for all industries of \$754.63. In comparison, the average weekly wage for Manufacturing was \$936.31 for that same time period. Two subsectors within Health care and social assistance, Ambulatory health care services and Hospitals,

Health care and social assistance is the third largest employing sector in New Hampshire in 2Q 2005.



approached the higher wage levels of the Manufacturing sector. The other two subsectors, Nursing and residential care facilities and Social assistance, had average weekly wages closer to the \$490.14 of the state's largest employing sector, Retail trade.

A great portion of the growth in the Health care and social assistance sector can be attributed to strong population growth that the state has experienced over the last couple of decades, leading to an increased demand for health care and social services. The projected health care employment growth, along with a related combination of population growth components, is answering the demands of an aging babyboomer generation. In order to get a better understanding of what is driving this sector's growth, the Health care and social assistance sector will be examined at the four-digit level. Employment growth over-the-year second quarter 2004 to second quarter 2005 will be inspected, as well as over a five-year period from second quarter 2000 to second quarter 2005. This will capture the short-term as well as long-term growth.

2nd Quarter 2005 Covered Employment			
NAICS Code	NAICS Industry Title	Average Quarterly Employment	Over-the-year percent change
621	Ambulatory Health Care Services	26,235	2.6%
6211	Offices of Physicians	10,871	2.8%
6212	Offices of Dentists	4,175	2.5%
6213	Offices of Other Health Practitioners	2,501	7.7%
6214	Outpatient Care Centers	3,588	4.5%
6215	Medical and Diagnostic Laboratories	700	-8.6%
6216	Home Health Care Services	3,519	-0.5%
6219	Other Ambulatory Health Care Services	881	2.2%
622	Hospitals	24,275	3.5%
6221	General Medical and Surgical Hospitals	23,623	3.7%
6222	Psychiatric and Substance Abuse Hospitals	n	n
6223	Other specialty Hospitals	n	n
623	Nursing and Residential Care Facilities	12,863	2.3%
6231	Nursing Care Facilities	7,603	-1.3%
6232	Residential Mental Health Facilities	1,867	6.1%
6233	Community Care Facilities for the Elderly	2,610	11.9%
6239	Other Residential Care Facilities	783	1.8%
624	Social Assistance	11,200	0.2%
6241	Individual and Family Services	4,781	5.2%
6242	Emergency and Other Relief Services	554	2.4%
6243	Vocational Rehabilitation Services	819	-23.1%
6244	Child Day Care Services	5,046	0.4%

n= not disclosable

ing 826 jobs. This subsector consists of three industry groups: General medical and surgical hospitals, Psychiatric and substance abuse hospitals, and Other specialty hospitals. General medical and surgical hospitals was the industry group that added the most jobs among all the industry groups within Health care and social assistance. General medical and surgical hospitals added 838 jobs over-the-year, more than the whole Hospitals subsector did. Consequently, it can be concluded that there was a slight decline in the employment levels of Psychiatric and substance abuse hospitals and Other specialty hospitals, combined.

The five year employment change shows the same pattern of General medical and surgical hospitals adding more jobs than at the aggregated level of Hospitals. In addition, the change over five years shows that General medical and surgical hospitals grew at a faster annualized rate between second quarter 2000 and second quarter 2005 than over-the-year second quarter 2004 to second quarter 2005.

Ambulatory Health Care Services

The over-the-year growth of 2.6 percent in Ambulatory health care services from second quarter 2004 to second quarter 2005, followed in line with its annualized growth rate of 2.7 percent from second quarter 2000 to second quarter 2005. This subsector added 668 jobs over-the-year. A little under half (44 percent) of the jobs were added in Offices of physicians, more commonly known as doctors offices. Over the five-year period, 60 percent of the total jobs added to Ambulatory health care services came from growth in Offices of physicians. This translates to Offices of physicians experiencing a faster annualized growth rate between 2000 and 2005 from second quarter 2004 to 2005. Two other industry groups within Ambulatory health care services, Offices of den-

Detailed level

There are four subsector groups that are part of the Health care and social assistance sector. These include Ambulatory and health care services; Hospitals; Nursing and residential care facilities; and Social assistance.

Hospitals

Overall, Hospital employment grew by 3.5 percent over-the-year, add-

tists and Other ambulatory health care services (Ambulance services and Blood and organ banks) experienced faster annual growth rates over the five-year period than over the most recent year. An explanation can be that since 2000 there has been a gradual slowdown in the state's population growth from 3.3 percent from 1999 to 2000 then only 0.8 percent between 2004 and 2005.

Despite the strong employment growth in Health care and social assistance as a whole, Medical and diagnostic laboratories are on a downward trend. Over the year, this industry group shed 66 jobs and over the five-year period it lost 155 jobs, translating to a total decline for the period of 18.1 percent. The

reason for this job loss might be due to consolidations.

Employment in Health home care services also saw a slight decline from second quarter 2004 to second quarter 2005. However, this industry group did show a slightly positive annualized growth rate, over the five-year period. Included in this industry group are visiting nurse associations, home health care agencies, and in-home hospice care services. With an aging babyboomer generation requiring more services it might seem that there will soon be a growing demand for these services. From 2000 to 2004 the age group 65 and over grew by 12.0 percent in New Hampshire compared to 12.4 per-

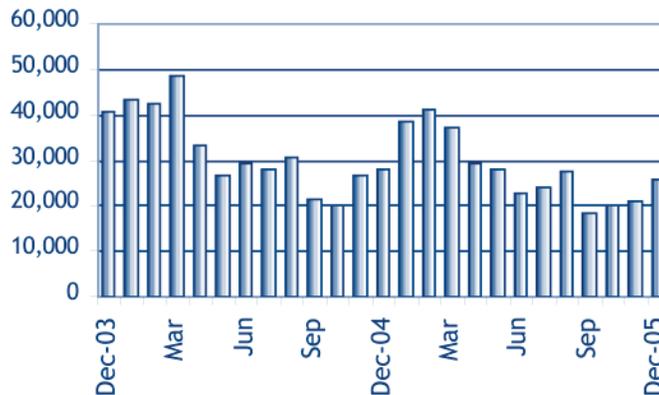
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Unemployment Compensation Claims Activity

Total Regular Unemployment Compensation Programs:				Change from Previous			
				Month		Year	
	Dec-05	Nov-05	Dec-04	Net	Percent	Net	Percent
Initial Claims	7,329	4,340	6,821	2,989	68.9%	508	7.4%
Continued Weeks	25,665	21,150	28,174	4,515	21.3%	-2,509	-8.9%

Unemployment Compensation Fund

Unemployment compensation fund balance at the end of December	\$264,218,523.19
Average payment for a week of total unemployment:	\$251.98
Net benefits paid:	\$4,690,375.12
Net contributions received during the month:	\$70,279.09
Interest Received:	\$3,103,901.06
Reed Act Distribution:	\$0.00
Reed Act Withdrawal for Administrative Costs:	\$9,593.62



Claims Activity

Trust Fund

Continued Weeks Claimed

Dec 2003 - Dec 2005

The volume of continued weeks claimed by the end of 2005 was almost 12 percent lower, 44,964 fewer claims, than it was at the end of 2004.

			Change from Previous	
Dec-05	Nov-05	Dec-04	Month	Year
196.8	197.6	190.3	-0.4%	3.4%

United States
All Urban Areas (CPI-U)
(1982-1984=100)

Consumer Price Index

Continued from page 3

cent nationally. However that growth rate may accelerate as the median age of New Hampshire's population of 37.1 years is almost two years older than that of the nation at 35.3 years.

Nursing and Residential Care Facilities

The demands leading to employment growth in this subsector can also be related to a growing and aging population. Within this subsector, Community care facilities for the elderly grew the most by 11.9 percent over the year, with an annualized growth rate of 11.3 percent over the last five years. Nursing care facilities, the largest employing industry group, declined slightly over-the-year, 1.3 percent, but showed an average annualized increase of 3.1 percent from 2000 to 2005. The distinction between the two industry groups is that Nursing care facilities concentrates in providing inpatient and rehabilitation nursing care, whereas

Community care facilities for the elderly provide residential care to the elderly and are not restricted to being admitted to an on-site facility.

Social Assistance

Social assistance is the only subsector within the Healthcare and social assistance sector that did not experience any substantial growth either over-the-year or over the five-year period. That might seem in contradiction to population growth. However, this probably is more indicative of declining government funding.

Industries included under Individual and family services are Child and youth services, Services for Elderly and persons with disabilities, and Other individual and family services.

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